



U.S. Department of Justice

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One Saint Andrew's Plaza
New York, New York 10007*

July 31, 2014

BY ECF

The Honorable Jesse M. Furman
United States District Judge
Southern District of New York
United States Courthouse
New York, New York 10007

**Re: SEC v. Clarke Bethancourt et al.,
13 Civ. 3074 (JMF)**

Dear Judge Furman:

The Government writes respectfully, pursuant to Your Honor's Order of August 2, 2013, that stayed the above-referenced matter on the Government's motion. The Order also required an update on the status of the related criminal proceedings every six months.

Since the time of the Government's last status letter, two additional defendants, Benito Chinaea and Joseph DeMeneses, have been charged in related criminal proceedings. That criminal case, 14 Cr. 240, was unsealed on April 14, 2014, and was assigned to the Honorable Denise L. Cote, who has scheduled the matter for trial on February 9, 2015.

Also on April 14, 2014, the Securities and Exchange Commission filed a motion in this action for leave to file a second amended complaint adding Chinaea and DeMeneses as defendants. That motion was unopposed and, on April 28, 2014, the Court granted the motion and the second amended complaint was filed.

The status of the remaining criminal defendants is unchanged. Each is awaiting sentencing, but the Government anticipates that, pursuant to their plea agreements and with their consent, none will be sentenced until after the trial of Chinaea and DeMeneses is concluded or otherwise resolved.

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Accordingly, the Government respectfully requests that the Court maintain the stay that was ordered on August 2, 2013. Pursuant to that Order, we will provide a further update by no later than January 31, 2015. The Securities and Exchange Commission does not oppose a continued stay of this action.

Respectfully submitted,

PREET BHARARA
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/s/ Harry A. Chernoff

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